



STATE OF ARIZONA

JANET NAPOLITANO
GOVERNOR

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April 26 2006

The Honorable Jim Weiers
Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Re: House Bill 2102: special audit; OAG; sole source

Dear Speaker Weiers:

Today I vetoed House Bill 2102, which, among other things, would have required the Arizona Department of Administration to conduct a special review of an office supply contract it recently awarded.

Arizona Taxpayers expect and deserve an efficiently run state government. Since the beginning of my term, my Administration has embarked upon a common sense review of government methods and expenses. Among other things, I have formed an Efficiency Review Steering Committee comprised of five of my most senior staff members to supervise the performance of such reviews by each of the state's major agencies.

In fact, the efficiency of the particular contract at issue in House Bill 2102 has already been reviewed favorably by both the Department of Administration and my Efficiency Review Steering Committee. The contract was awarded on November 1, 2005 and took effect in December, 2005. The winning bid was 47 percent lower than that of the next lowest bidder. Moreover, by awarding the contract to a single vendor, the state realized economies of scale savings estimated at \$1.4 million over the prior practice of having multiple vendors that each delivered smaller quantities of products. Equally important, in the five months since the contract took effect, the Arizona Department of Administration has received zero complaints from state agencies regarding either the winning bidder or the office supplies delivered under the contract. Under the circumstances, the further review of this particular contract called for by House Bill 2102 makes little sense at this time.

My view in this regard is bolstered by my understanding that House Bill 2102 was enacted at the request (and through the lobbying efforts) of a losing bidder on the contract. A

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losing bidder's remedies, if any, exist through the bid protest and judicial processes allowed by law. In this case, the bid protest was denied in full by the Office of Administrative Hearings. Any further appeal of this decision should occur in the courts, not through lobbying the legislature to enact special legislation.

For these and other reasons, I have vetoed House Bill 2102.

Yours very truly,

A handwritten signature in black ink, appearing to read "Janet Napolitano", with a long horizontal flourish extending to the right.

Janet Napolitano
Governor

JN:TN/jm

cc: The Honorable Ken Bennett
The Honorable Marian McClure